



STATE OF ILLINOIS
JB PRITZKER, GOVERNOR

July 24, 2019

Via Federal Reginfo.gov Portal

Ms. Shannon Joyce
Policy Analyst
Office of Information and Regulatory Affairs
White House Office of Management and Budget
725 17th Street NW
Washington, DC 20503

RE: E.O. 12866 Meeting on Department of Homeland Security Public Charge Rule
RIN 1615-AA22

Dear Ms. Joyce,

Thank you for taking the time to meet with us today. We represent three of the State of Illinois' health and human services agencies:

- The Department of Human Services, which administers the Supplemental Nutrition Assistance Program (SNAP) and shares eligibility and enrollment responsibility for Medicaid and the Children's Health Insurance Program (CHIP);
- The Department of Healthcare and Family Services, which is the Medicaid and CHIP authority; and
- The Department on Aging, which helps older adults in Illinois access programs to maintain health and independence, including the Medicare Part D Low Income Subsidy.

On behalf of the State of Illinois, we wish to express our grave concerns regarding the Department of Homeland Security's public charge rule. We strongly urge a delay or full withdrawal of the final rule.

Immigrants in Illinois

With nearly 13 million residents, Illinois is the sixth-largest state in the country. We are proud of our large and vibrant immigrant population. Our state is home to almost 1.8 million immigrants who make up 14% of the state's total population. Illinois has the sixth-largest population of foreign-born residents of any state in the US.¹

¹ Report: *The Contributions of New Americans in Illinois*, New American Economy, August 2016, <https://research.newamericaneconomy.org/report/the-contributions-of-new-americans-in-illinois/>.

Immigrants in Illinois are vital to our economy and our tax base. While just 14% of the total state population, immigrants account for 22% of Illinois entrepreneurs. Immigrant-owned businesses generated \$2.6 billion in business income and employed 281,090 people in 2014. That same year, immigrant households contributed more than one in every seven dollars paid by Illinois residents in state and local tax revenues. And after taxes, Illinois immigrants held over \$40 billion in spending power².

Impact of Final Rule on Enrollment

Hundreds of thousands of Illinoisans in immigrant households are eligible for and enrolled in a variety of programs that protect and promote their well-being, including SNAP, Medicaid, and the Part D Low-Income Subsidy. These programs are funded, in part, by their own tax dollars. It is crucial to note: *the vast majority of these individuals are U.S. citizens.*

This administration's intent to expand the scope and reach of "public charge" rules is creating confusion and distress that has and will continue to cause many eligible Illinoisans who are citizens of the United States and hail from immigrant families to stop using public benefits for which they are eligible, and for whom the federal government intended such benefits. We anticipate that this rule will lead to widespread disenrollment from these programs, which, as we will describe, will impose an enormous administrative burden on our agencies and will exert a powerful and adverse impact on the Illinois economy.

Disenrollment resulting from this rule falls into two main categories, indirect and direct. Previous experience suggests that the proposed rule will have a broad, *indirect "chilling effect"* that will lead to disenrollment and under-enrollment among a *large* group of individuals in immigrant families, even though the proposed rule would not directly affect them. Research suggests that individuals will forego enrollment in or disenroll themselves and their children from public programs for fear that their or their children's enrollment could negatively affect their or their family members' immigration status.

In addition, a distinct group of immigrants who intend to seek Lawful Permanent Resident (LPR) status are *directly* affected by this rule. As you already know, noncitizens without LPR status would likely disenroll from Medicaid and other programs for which they are eligible because it could negatively affect their chances of obtaining LPR status under the proposed rule.

Using historical and census data on program participation, experts have found that the chilling effect leads to disenrollment of eligible individuals in immigrant families by a rate of 15% to 35%³. The table below applies these rates to Illinois SNAP and Medical program enrollment data from March 2019 for eligible individuals in a household with one or more non-citizens. Our analysis suggests that between 58,443 and 136,344 eligible Illinoisans could disenroll from medical coverage, while disenrollment estimates for SNAP range from 33,339 to 77,791. **In total, we anticipate that between 61,584 and 143,696 eligible residents will lose vital benefits because of this rule; three out of four of those individuals are U.S. citizens.**

² Ibid.

³ Samantha Artiga et al., *Potential Effects of Public Charge Changes on Health Coverage for Citizen Children*, Henry J. Kaiser Family Foundation, May 18, 2018, <https://www.kff.org/report-section/potential-effects-of-public-charge-changes-on-health-coverage-for-citizen-children-issue-brief/>.

Eligible Illinoisans in Household with One or More Noncitizens				
Immigration status	Program	Enrollment March 2019	15% disenrollment	35% disenrollment
TOTAL	Unique Individuals	410,561	61,584	143,696
	Medical	389,554	58,443	136,344
	SNAP	222,259	33,339	77,791
Citizen	Medical	294,461	44,169	103,061
	SNAP	169,568	25,435	59,349
LPR	Medical	78,636	11,795	27,523
	SNAP	41,068	6,160	14,374
Refugee/Asylee	Medical	14,566	2,185	5,098
	SNAP	10,991	1,649	3,847
Visa Holders	Medical	1,287	193	450
	SNAP	360	54	126
Other	Medical	604	91	211
	SNAP	272	41	95

The human cost of this rule is grave and includes hunger, diminished access to health care, and increased financial vulnerability for tens of thousands of Illinoisans. That said, we would like to spend the remainder of our time today reviewing the harmful effect this rule will have on our State, in terms of both the administrative burden it will place on our agencies and the adverse effect it will have on our economy.

Administrative Burden

The administrative burden this rule places on our agencies cannot be overstated:

Of particular concern is USCIS Form I-944, *Declaration of Self-Sufficiency*, section 3, questions 9-11. The scope and level of detail required, such as type, amount, and dates of benefits *ever* applied for or received, makes it highly unlikely that any declarant will be able to complete the form without intensive consultation with caseworkers, potentially in multiple states and administering agencies.

The Illinois Department of Human Services operates 72 Family and Community Resource Centers across the state, staffed by approximately 2,700 caseworkers who process eligibility for SNAP and Medical programs. Widespread concern among customers, service providers, and community partners has already increased demand for caseworker services. We expect this demand to spike following publication of the final rule, potentially driving more than 100,000 customers to our offices during the 60-day grace period.

The amount of work needed to prepare for and meet this demand is overwhelming, even by our conservative estimates:

- The Department will need to expedite the development and delivery of caseworker training and customer education materials. The expense of training caseworkers alone is estimated to cost more than 2,700 person-hours and \$91,000.⁴
- Caseworkers will need to provide information and services to individuals seeking to disenroll from benefits. The estimated administrative cost would range from 61,500-143,500 person-hours and \$2-5 million.⁵
- Caseworkers will also need to work with individuals completing USCIS I-944. Although we anticipate that only about 1,500 individuals will be directly impacted and required to complete the form, the estimated administrative cost of 3,000 person-hours and \$100,000⁶ is still significant.

Because Illinois receives federal reimbursement for many of its caseworkers, these burdens represent an additional cost to the federal government as well as to the State of Illinois.

Likewise, the Department on Aging will bear significant administrative burdens in preparing for and responding to the rule's implementation. Department staff and contract agencies who together serve nearly half a million older adults will require training on this rule. Additional funding will be required to establish capacity to provide one-on-one outreach with individuals who may be subject to a public charge determination, as well as respond to the questions and concerns of individuals who are not directly impacted but who live in immigrant households.

Additionally, Illinois state government has incurred significant costs to support the needs of immigrant-serving community organizations in responding to the fear and confusion created by these and other public charge rules. For the fiscal year that started July 1, 2019, the Department of

⁴ Estimate developed assuming one hour of training per caseworker x 2,700 caseworkers x caseworker salary midpoint of \$34.04.

⁵ Estimate developed assuming 15%-35% disenrollment rates x one hour per disenrollment x caseworker salary midpoint of \$34.04.

⁶ Estimate developed assuming 1,500 visa holders x two hours per caseworker encounter x caseworker salary midpoint of \$34.04.

Human Services funded \$1.3 million in grants to establish capacity within community organizations across the state to conduct community education and individual and family counseling.

The amount of time required to provide an adequate response to the impact of this rule is daunting under any circumstances, but is especially problematic given the short, 60-day implementation period contemplated in the proposed rule. Should this truncated timeline be prescribed in the final rule, our state will be unable to prepare responsibly. **While this rule should not proceed, if it does over numerous concerns and negative consequences, Illinois simply needs more time.**

Finally, it is critical that your office understand that our appraisal of the administrative burden created by this rule is premised on this Department of Homeland Security rule *only*. However, Illinois immigrant households and the agencies that serve them are not *only* grappling with the impact of this particular rule – we are also dealing with the forthcoming notice of proposed rulemaking on public charge from the Department of Justice, as well as changes to how public charge is determined by the State Department. Navigating three different sets of rules on public charge far exceeds our system’s capacity, and it heightens both the chilling effect and the administrative burden. **We implore the administration to ensure that all three sets of rules are aligned before finalizing any one of them.**

Economic Impact

Alongside its alarming human cost and enormous administrative burden, this rule will have a significant adverse effect on the Illinois economy which we believe your office failed to fully consider. These costs are primarily related to the loss of SNAP and Medicaid funds for eligible individuals who disenroll because of this rule.

The loss of SNAP dollars in local communities due to the chilling effect of this rule will be significant. The average monthly SNAP benefit per person in Illinois is \$132.37⁷. Using the estimates of disenrollment that we provided earlier, Illinois could lose between \$53-\$123M of SNAP benefits annually, which could in turn cause the loss of nearly 1,700 jobs.

The estimated impact on the cost of medical care is even more dire. Using the average annual Medicaid spending per enrollee in Illinois of \$5,012⁸, we estimate that uncompensated care costs borne by Illinois’ healthcare providers could range from \$293-\$683M annually, which could in turn result in the loss of nearly 9,500 jobs in Illinois. Cook County Health alone estimates that its system is at risk of losing \$30M annually in Medicaid reimbursements due to the chilling effect.

But the negative impact on the Illinois economy reaches far beyond these immediate costs. With Medicaid to cover health care and prescription drugs, and SNAP to offset the cost of food,

⁷ *State Health Facts: Average Supplemental Nutrition Assistance Program Benefits Per Person*, Henry J. Kaiser Family Foundation, FY2016, <https://www.kff.org/other/state-indicator/avg-monthly-snap-benefits/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

⁸ *State Health Facts: Medicaid Spending per Enrollee (Full or Partial Benefit)*, Henry J. Kaiser Family Foundation, FY2014, <https://www.kff.org/medicaid/state-indicator/medicaid-spending-per-enrollee/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

Illinoisans in immigrant households have more money to pay for other goods and services, helping the economy grow broadly. The real fiscal stimulus provided by these programs will be measurably lessened by the chilling effect of this rule.

For example, the Food Assistance National Input-Output Multiplier Model (FANIOM) measures the effect of the SNAP fiscal stimulus on the economy. The U.S. Department of Agriculture calculates a multiplier of 1.79, meaning that \$1.80 of economic activity is generated from \$1 of SNAP benefits (rounding off)⁹. By applying this multiplier to the estimated value of lost SNAP benefits due to the chilling effect, we estimate a withdrawal of \$95M-\$222M of economic stimulus from the Illinois economy.

Conclusion

In conclusion, the troubling changes introduced by this rule will have significant administrative and economic impact in Illinois. Moreover, the rule will deny the basic supports of food and health care to lawfully present and eligible immigrants and their families – including tens of thousands of U.S. citizens. Our agencies and community partners have been working expeditiously to prepare for these impacts, but sixty days is not enough time. And the less prepared we are, the greater the harm to our state.

Again, we thank you for the opportunity to discuss our concerns with you before the rule is published and encourage you to delay or withdraw it. Please do not hesitate to contact us at Gabriela.Moroney@illinois.gov or (312) 793-1733 with any questions or concerns you may have.

Sincerely,

/Grace Hou/

Grace Hou

Secretary

Department of Human Services

/Theresa Eagleson/

Theresa Eagleson

Director

Department of Healthcare and Family Services

/Paula Basta/

Paula Basta

Director

Department on Aging

⁹ Kenneth Hanson, *The Food Assistance National Input-Output Multiplier (FANIOM) Model and Stimulus Effects of SNAP*, U.S. Department of Agriculture Economic Research Service, Economic Research Report Number 103, October 2010, <https://www.ers.usda.gov/publications/pub-details/?pubid=44749>.